

In the Specification:

Please amend the Specification as follows.

Please amend the paragraph on page 15, lines 15-17, as follows:

Once a frame has been successfully encoded it is passed to Variable Length Encoder module 78. Module 78 then transmits the reformatted stream to a channel 30 (see Figure 1).

Please amend the paragraph on page 22, lines 18-25, as follows:

Referring now to Figure 7, a flowchart for the process of computing a cumulative distribution function (cdf) of the quantizer_scale_code for each macroblock in a frame is shown generally as 180. Beginning at step [[180]] 182, each element of an array holding the cdf values is set to zero. At step 184 a loop is invoked so that a cdf value is calculated for each macroblock in the current frame, i.e. the one about to be encoded by encoder [[28]] 20 (see Figure 1). At step 186 the cdf for the macroblock is calculated. Process 180 ends when steps 184 and 186 have processed all macroblocks.